

Commercial Lease Amendment #1 — Expansion and First Extension at 7-1 Metropolitan Court

This lease amendment is made this 13th day of June 2010 by and between HALCYON ASSOCIATES (Landlord) and MONTGOMERY COUNTY, MARYLAND (County), a body corporate and politic and a political subdivision of the State of Maryland, to the lease dated on or about December 12, 2006, for 7-1 Metropolitan Court, Gaithersburg, Maryland. Landlord and County (collectively, the "Parties") represent:

Recitals

1. On or about December 12, 2006, the Parties signed the original lease document for the medical office space at 7-1 Metropolitan Court, Gaithersburg, Maryland (Premises) for use by the Montgomery County Department of Health and Human Services and its licensees. The original lease is in effect and there are no other amendments. As of signing this amendment, the Parties do not know of any material default.
2. The Premises' original space contains gross rentable area of 7,200 square feet. The Parties intend to expand the Premises by including the contiguous expansion space.
3. The initial Term of the lease continued through January 31, 2012. The Parties intend to extend the Term for an additional FIVE non-calendar years.
4. The Parties intend to modify the base rent schedule in two ways. First, the Parties intend to include the base rent for the expansion space. The base rent rate for the original space is significantly greater than the base rent rate for the expansion space because the original space was already improved as a medical clinic but the expansion space contains few improvements and was previously used as a warehouse.
5. The Parties also intend to modify the base rent schedule to reflect a reduction in the base rent for the original space.

Agreement

The Parties agree to the following:

- (a) **Premises.** The Premises is hereby permanently expanded to include the contiguous 1,800 square feet of gross rentable area as shown on exhibit "A" of this Amendment. The Premises is now deemed to contain 9,000 square feet of gross rentable area.

Landlord: HALCYON ASSOCIATES

Tenant: MONTGOMERY COUNTY AT 7-1 METROPOLITAN COURT

June 17, 2010

-1-

(b) **Term.** The Term is hereby extended for FIVE non-calendar years starting February 1, 2012. The new full Term ending date is January 31, 2017. Exhibit "A" of the original lease document, County's Option to Extend Term, is void.

(c) **Base Rent Schedule.** As of July 1, 2010, the Initial Base Rent Schedule in the original lease document is void and replaced with the following schedule. County shall pay Base Rent Installments by the following schedule whose rows and columns are for convenience only and do not reflect any division of the Term or Premises:

Revised Base Rent Schedule After Expansion

Period	Period Start- ing Date	No. of Months	Original Space Base Rent Install- ment	Expansion Space Base Rent Installment	Total Base Rent Installment	Period Base Rent (\$)
LY #4 Part "B"	01 July 2010	7	11,698.00	0.00	11,698.00	81,886.00
LY #5	01 Feb. 2011	12	11,698.00	1,800.00	13,498.00	161,976.00
LY #6	01 Feb. 2012	12	12,166.00	1,872.00	14,038.00	168,456.00
LY #7	01 Feb. 2013	12	12,653.00	1,947.00	14,600.00	175,200.00
LY #8	01 Feb. 2014	12	13,159.00	2,025.00	15,184.00	182,208.00
LY #9	01 Feb. 2015	12	13,685.00	2,106.00	15,791.00	189,492.00
LY #10	01 Feb. 2016	12	14,232.00	2,190.00	16,422.00	197,064.00
Total Base Rent (exclusive of Additional Rent)						\$1,156,282.00

(d) **Multiple checks.** Landlord shall accept full or partial base rent payments from County licensees using the Premises and credit these payments to County's rent obligation, but:

- (1) Landlord is not required to accept payments from more than two licensees in any given month;
- (2) Landlord is not required to bill any licensees;
- (3) Landlord's acceptance of any payment is not Landlord's consent to any license, sublease, or assignment;

Landlord: HALCYON ASSOCIATES

Tenant: MONTGOMERY COUNTY AT 7-1 METROPOLITAN COURT

June 17, 2010

- (4) Landlord is not required to accept any payments from a specific licensee if that licensee's payment is late more than two times in any twelve-month period or if any payment fails to clear on initial deposit; and.
- (5) After receipt of written notice, County shall promptly pay Landlord any rent that any licensee fails to pay.

(e) **Possession.** Upon full signing of this amendment, County will have possession of the expansion space and all provisions of this lease will be in effect.

(f) **Increases in Real Estate Tax Costs.** For the original space only, County shall continue to pay Landlord for increases only in real estate taxes by articles #7 and #8 in the original document. For the expansion space only, County shall pay Landlord for increases only in real estate taxes, but Landlord shall calculate the increases by a pro rata share of 2.6% over the 2009-10 real estate cost base year. See exhibit "B" for 2009-10 real estate cost base year.

(g) **Parking.** Paragraph 6D of the original document is modified to increase County's parking allocation by eight spaces to a total of 37 spaces.

(h) **Improvements.** County is in possession of the original space. County accepts both the original space and the expansion space "AS-IS"; Landlord is not required to provide or pay for any improvements. Unless County receives Landlord's prior written consent, County shall not alter, change, modify, improve, or replace any improvements to or pertaining to the expansion space but Landlord shall not unreasonably deny, condition, or delay this consent.

(i) **Brokers.** With regard to this amendment, County represents that it has not dealt with any finders or real estate agents or brokers.

(j) **Other Terms and Conditions.** This Lease now comprises the original document and this Amendment. This Amendment supersedes the original document but all provisions in the original document that are not changed in this amendment remain unchanged and in force. Some provisions in the original document are repeated here for convenience.

The Signature Page follows next.

Signature Page

IN WITNESS WHEREOF, Parties hereto have caused this lease amendment to be properly executed.

Witness To Mr. Daniel:

Landlord: HALCYON ASSOCIATES

By: David Baltis

By: John Daniel

General Partner

Printed name: JOHN DANIEL

Date signed: 7/2/2010

County:

MONTGOMERY COUNTY, MARYLAND

By: Diane R. Schwartz-Jones

Diane R. Schwartz-Jones

Assistant Chief Administrative Officer

Date: 7/13/10

APPROVED AS TO FORM & LEGALITY
OFFICE OF THE COUNTY ATTORNEY

RECOMMENDED:

By: Abraham Thaysen

By: Cynthia Brenneman

Cynthia Brenneman, Director

Office of Real Estate

Date: 6/29/10

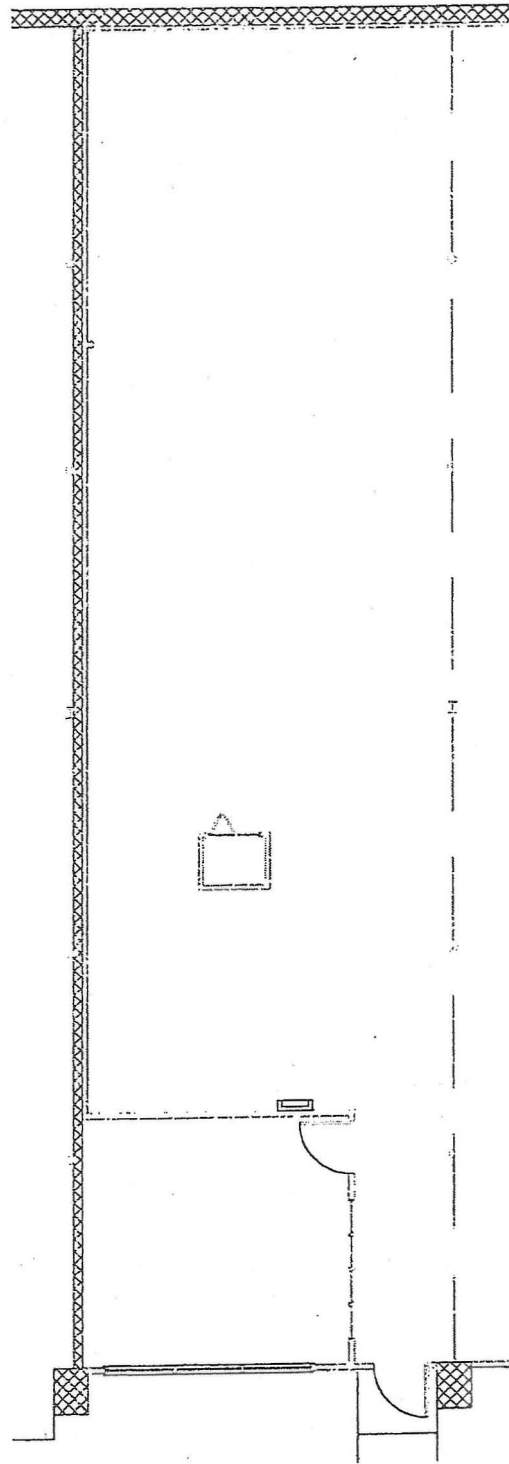
Date: 6/21/10

Landlord: HALCYON ASSOCIATES

Tenant: MONTGOMERY COUNTY AT 7-1 METROPOLITAN COURT

June 17, 2010

Exhibit "A" of Amendment #1 — Schematic Plan of Expansion Space



Landlord: HALCYON ASSOCIATES

Tenant: MONTGOMERY COUNTY AT 7-1 METROPOLITAN COURT

June 17, 2010

Exhibit "B" of Amendment #1 — Expansion Space Real Estate Tax Base Year



REAL PROPERTY CONSOLIDATED TAX BILL

ANNUAL BILL
TAX PERIOD 07/01/2009 - 06/30/2010
FULL LEVY YEAR
LEVY YEAR 2009

Department of Finance
Division of Treasury
255 Rockville Pike, L-15
(Monroe Street Entrance)
Rockville, MD 20850

Hours: 8:00 a.m. - 4:30 p.m.
Mon. - Fri.

HALCYON ASSOCIATES
5500 MACARTHUR BLVD NW
WASHINGTON DC 20016-2536



NOT A PRINCIPAL RESIDENCE

BILL DATE
07/01/2009
PROPERTY DESCRIPTION
METROPOLITAN GROVE PARK
BILL #
29226986
ACCOUNT #
02518573
MORTGAGE INFORMATION
UNKNOWN (SEE REVERSE)
PROPERTY ADDRESS
5 METROPOLITAN CT
REFUSE AREA
R45
REFUSE UNITS
34

LOT	BLOCK	DISTRICT	SUB	TAX CLASS	BILL #	ACCOUNT #
14		09	201	R049	29226986	02518573
MORTGAGE INFORMATION		PROPERTY ADDRESS		REFUSE AREA		
UNKNOWN (SEE REVERSE)		5 METROPOLITAN CT		R45		
TAX DESCRIPTION		ASSESSMENT	RATE	TAX/CHARGE		
STATE PROPERTY TAX		5,831,500	.112*	6,531.28		
COUNTY PROPERTY TAX		5,831,500	.826*	48,168.21		
GAITHERSBURG PROPERTY TAX		5,831,500	.212*	12,362.78		
SOLID WASTE CHARGE				10,216.32		
WSSC FRONT FOOT BENEFIT CHG				1,208.08		
TOTAL				78,486.67		

*PER \$100 OF ASSESSMENT

CURRENT YEAR FULL CASH VALUE
TAXABLE ASSESSMENT

5,831,500

CONSTANT YIELD RATE INFORMATION

COUNTY RATE OF 0.683 IS MORE
THAN THE CONSTANT YIELD RATE
OF 0.628 BY 0.055

REMAINING WSSC BALANCE AFTER
PAYMENT IS \$9,176.40

Total Annual Amount Due: 78,486.67

YOU CAN VIEW AND PAY YOUR BILL ON THE INTERNET AT www.montgomerycountymd.gov/finance

PLEASE RETAIN THE TOP PORTION FOR YOUR RECORDS.



RETURN THIS PORTION WITH PAYMENT
REAL PROPERTY CONSOLIDATED TAX BILL
TAX PERIOD 07/01/2009 - 06/30/2010
FULL LEVY YEAR

BILL #
29226986

Check here if your address changed
& enter change on reverse side. ☐

Make Check Payable to:
Montgomery County, MD

ACCOUNT #	LEVY YEAR	AMOUNT DUE
02518573	2009	78,486.67

AMOUNT PAID

HALCYON ASSOCIATES
5500 MACARTHUR BLVD NW
WASHINGTON DC 20016-2536

DUE September 30, 2009
PLEASE INDICATE AMOUNT BEING PAID

2082009929226986700078486677000000000000

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June 17, 2010